

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6482

BILL NUMBER: HB 1519

NOTE PREPARED: Dec 15, 2008

BILL AMENDED:

SUBJECT: Assessed Value for Setting Property Tax Rates.

FIRST AUTHOR: Rep. Culver

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill permits the county auditor, in reducing a taxing unit's assessed value (AV) used to set tax rates for the taxing unit, to take into account any property tax deduction allowed after assessed values are certified. The bill extends the deadline for the county auditor to report the reduction from December 31 to January 15 to allow accounting for deduction applications filed at the end of the year.

Effective Date: July 1, 2009.

Explanation of State Expenditures: Tax rates must be certified by the Department of Local Government Finance (DLGF) by February 15th. The extension of time from December 31st to January 15th for county auditors to recertify net AV could make it more difficult for the DLGF to certify tax rates on time in some counties.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, each county auditor must certify the net assessed value of each taxing unit to that taxing unit and to the DLGF by August 1st of each year. The county auditor then has until December 31st to recertify the net AV after making reductions to account for successful appeals and homestead standard deductions filed after the original certification.

Under this bill, the deadline for recertification would be extended to January 15th. Rather than limiting the adjustment to account for later appeals and standard deductions, the bill would permit the county auditor to

consider all deductions (other than abatements) that are filed after the August certification when making the reduction.

The certified net AV is the tax base that is used to calculate tax rates. If the certified net AV is greater than the actual net AV, then the tax rates will be set too low, resulting in a levy shortfall. If the certified net AV is reduced, then the calculated tax rate would come closer to generating the desired levy. The additional two weeks added to the recertification deadline would allow county auditors to consider deduction filings that may now be made through December 31st.

State Agencies Affected: DLGF.

Local Agencies Affected: County auditors; All taxing units.

Information Sources:

Fiscal Analyst: Bob Sigalow, 317-232-9859.